

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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|---|---|------------------------|
| In re: |) | Chapter 11 |
| |) | |
| CELSIUS NETWORK LLC, <i>et al.</i> , ¹ |) | Case No. 22-10964 (MG) |
| |) | |
| Debtors. |) | (Jointly Administered) |
| |) | |

**SUPPLEMENT TO FIRST INTERIM FEE APPLICATION OF ERNST & YOUNG LLP
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS TAX COMPLIANCE AND TAX ADVISORY SERVICES PROVIDER
FOR THE TIME PERIOD JULY 13, 2022 THROUGH OCTOBER 31, 2022**

Pursuant to Sections 330 and 331 of Title 11 of the Bankruptcy Code and Rule 2016 of the Bankruptcy Rule, and the Amended Interim Compensation Order approving procedures for professional compensation requests in these cases, EY LLP hereby files this supplement to the *First Interim Fee Application of Ernst & Young LLP for Compensation for Services Rendered and Reimbursement of Expenses as Tax Compliance and Tax Advisory Services Provider for the Time Period July 13, 2022 Through October 31, 2022* [Docket No. 2170] (the “First Interim Fee Application”).²

1. On December 12, 2022, the Court approved an engagement agreement titled, Statement of Work – US Tax Compliance Services FY 2021 (the “FY 2021 Tax Compliance SOW”). [See Docket Nos. 1404, 1766.]

2. In paragraph 6 of the *Declaration of Elizabeth Harvey in Support of Debtors' Application for Entry of an Order (I) Authorizing the Retention and Employment of Ernst &*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 0703.

2 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application for Retention and/or in the First Interim Fee Application.

Young LLP as Tax Compliance and Tax Advisory Services Provider, Effective as of July 13, 2022, and (II) Granting Related Relief [Docket No. 1404] (the “Harvey Declaration”), EY LLP made the following disclosures about \$105,000 of the fixed fees included in the FY 2021 Tax Compliance SOW, which certain of the Debtors prepaid before the commencement of these chapter 11 cases (the “Prepaid Fixed Fees”):

- “The Debtors prepaid Kost Forer Gabbay & Kasierer (‘EY Israel’) \$52,150 in fixed fees for the compliance services for the tax year ended December 31, 2021 for Celsius Network, Inc. EY LLP will not charge the Debtors additional fixed fees for this work.”
- “The Debtors prepaid EY Israel \$52,850 in fixed fees for the compliance services for the tax year ended December 31, 2021 for Celsius US Holding LLC and its US subsidiaries. EY LLP will not charge the Debtors additional fees for this work.”³

3. In paragraph 6 of the First Interim Fee Application, EY LLP disclosed: “As disclosed in the Harvey Declaration in support of the Application for Retention, services pursuant to the Tax Compliance SOW will be provided for a fixed fee of (a) \$52,150 for compliance services for Celsius Network Inc. for the period ended December 31, 2021 and (b) \$52,850 for tax compliance services for Celsius US Holding LLC and its U.S. subsidiaries for the period ended December 31, 2021. To note, the Tax Compliance fees have been prepaid, and EY LLP will not charge the Debtors additional fees for this work.”

4. Pages 68-71 of the First Interim Fee Application included the time entries for work on the FY 2021 Tax Compliance SOW for which the Debtors prepaid the Prepaid Fixed Fees.

5. As noted in paragraph 38 of the *Fee Examiner’s Summary Report on Fee Review Process and Second Interim Fee Application Scheduled for Uncontested Hearing on July 18,*

³ EY Israel made parallel disclosures in paragraph 7 of the *Declaration of Yoav Shwartz in Support of Debtors’ Application for Entry of an Order (I) Authorizing the Retention and Employment of Ernst & Young LLP as Tax Compliance and Tax Advisory Services Provider, Effective as of July 13, 2022, and (II) Granting Related Relief* [Docket No. 1404].

2023 [Docket No. 2975], EY LLP agreed to supplement its First Interim Fee Application with respect to the Prepaid Fixed Fees.

6. EY LLP therefore respectfully submits this Supplement to the First Interim Fee Application to request Court approval of the \$105,000 in Prepaid Fixed Fees as part of the administrative expense record in these chapter 11 cases. For the avoidance of doubt, Court approval of the \$105,000 in Prepaid Fixed Fees will not result in an additional cash payment by the Debtors to EY LLP or EY Israel, as the relevant Debtors already prepaid the \$105,000 in Prepaid Fixed Fees before the commencement of these chapter 11 cases.

7. EY LLP has reattached as **Exhibit A** the time entries for work on the FY 2021 Tax Compliance SOW for which the Debtors prepaid the Prepaid Fixed Fees, to the extent such work was performed after the commencement of these chapter 11 cases.

Dated: July 13, 2023

/s/ Elizabeth Harvey
Elizabeth Harvey
Partner, Ernst & Young LLP

Exhibit A

| Name | Title | Date | Project Category | Description | Hours |
|------------------|-------------------|-------------|------------------|---|-------|
| Meir Edri | Senior | 19 Jul 2022 | Tax Compliance | Call with L. Koren to discuss bankruptcy overview, Israeli operations, any future Mining initial public offering | 0.3 |
| Meir Edri | Senior | 21 Jul 2022 | Tax Compliance | Review of Limitation on Benefits deck in connection with US-UK payment | 1.1 |
| Meir Edri | Senior | 22 Jul 2022 | Tax Compliance | Continue review of Limitation on Benefits deck in connection with US-UK payment | 0.9 |
| Meir Edri | Senior | 31 Jul 2022 | Tax Compliance | Preparation of supporting Limitation of Benefits deck in connection with US-UK payment | 1.0 |
| Amir Chenchinski | Partner/Principal | 01 Aug 2022 | Tax Compliance | Celsius call regarding Canada mining operations with L. Koren (Celsius) | 1.1 |
| Amir Chenchinski | Partner/Principal | 01 Aug 2022 | Tax Compliance | Review Canada use tax issue related to mining deployment | 2.5 |
| Meir Edri | Senior | 01 Aug 2022 | Tax Compliance | Review of initial Canadian tax implications of Mining activity | 0.9 |
| Amir Chenchinski | Partner/Principal | 02 Aug 2022 | Tax Compliance | Celsius - meeting with L. Koren (Celsius) in EY office Tel Aviv with A. Chenchinski - discussed restructuring alternatives, tokenization, ownership of stablecoins and roles and responsibilities in EY and K&E teams | 2.1 |
| Meir Edri | Senior | 02 Aug 2022 | Tax Compliance | Call with O. Almog (Celsius) regarding US tax return filing process and supporting book data | 0.8 |
| Meir Edri | Senior | 02 Aug 2022 | Tax Compliance | Celsius - meeting with L. Koren (Celsius) in EY office Tel Aviv with A. Chenchinski - discussed restructuring alternatives, tokenization, ownership of stablecoins and roles and responsibilities in EY and K&E teams | 2.1 |
| Meir Edri | Senior | 08 Aug 2022 | Tax Compliance | Call regarding initial examination of Limitation of Benefits in the US-UK tax treaty with L. Koren and O. Almog | 0.4 |
| Meir Edri | Senior | 11 Aug 2022 | Tax Compliance | Review Canadian tax implications of deployment of mining equipment | 0.8 |
| Amir Chenchinski | Partner/Principal | 14 Aug 2022 | Tax Compliance | Weekly call update with Client to discuss current bankruptcy filings status, restructuring plan and ongoing work. Celsius - L. Koren, EY - A. Chenchinski and M. Edri | 0.9 |
| Meir Edri | Senior | 14 Aug 2022 | Tax Compliance | Weekly call update with Client to discuss current bankruptcy filings status, restructuring plan and ongoing work. Celsius - L. Koren, EY - A. Chenchinski and M. Edri | 0.9 |
| Meir Edri | Senior | 15 Aug 2022 | Tax Compliance | Call regarding Canadian mining operations with L. Koren (Celsius) | 0.5 |
| Meir Edri | Senior | 16 Aug 2022 | Tax Compliance | Call regarding Canadian mining operations with L. Koren (Celsius) | 1.2 |
| Meir Edri | Senior | 17 Aug 2022 | Tax Compliance | Review of updated organization structure and legal entities for 2022 | 1.0 |
| Amir Chenchinski | Partner/Principal | 25 Aug 2022 | Tax Compliance | Call to discuss eligibility for treaty benefits - specifically discuss the Limitation of Benefits Article under the US-UK income tax treaty - in connection with Celsius holdings UK with L. Koren (Celsius) | 1.0 |
| Amir Chenchinski | Partner/Principal | 31 Aug 2022 | Tax Compliance | US federal tax return preparation- form 8990 | 0.2 |

| Name | Title | Date | Project Category | Description | Hours |
|------------------|-------------------|-------------|------------------|--|-------|
| Amir Chenchinski | Partner/Principal | 31 Aug 2022 | Tax Compliance | Call to discuss eligibility for treaty benefits - specifically discuss the Limitation of Benefits Article under the US-UK income tax treaty - in connection with Celsius holdings UK with L. Koren (Celsius) | 1.7 |
| Ofer Wasserman | Senior Manager | 31 Aug 2022 | Tax Compliance | Review of US federal income tax returns - Form 5472 | 4.5 |
| Amir Chenchinski | Partner/Principal | 01 Sep 2022 | Tax Compliance | Review of tax implications in Canada in connection with deployment of mining machines in Canada | 0.6 |
| Ofer Wasserman | Senior Manager | 01 Sep 2022 | Tax Compliance | US federal tax return preparation- form 8916 | 2.8 |
| Ofer Wasserman | Senior Manager | 01 Sep 2022 | Tax Compliance | US federal tax return preparation- form 8990 | 4.6 |
| Ofer Wasserman | Senior Manager | 04 Sep 2022 | Tax Compliance | US federal tax return preparation- form 1125-E | 3.8 |
| Amir Chenchinski | Partner/Principal | 05 Sep 2022 | Tax Compliance | Review of tax implications in Canada in connection with deployment of mining machines in Canada | 1.2 |
| Amir Chenchinski | Partner/Principal | 05 Sep 2022 | Tax Compliance | Review of US federal income tax returns - Form 5471s | 0.6 |
| Ofer Wasserman | Senior Manager | 05 Sep 2022 | Tax Compliance | US federal tax return preparation- form 1125-E | 3.8 |
| Amir Chenchinski | Partner/Principal | 06 Sep 2022 | Tax Compliance | US federal income tax preparation - review of Form 1120 | 1.9 |
| Ofer Wasserman | Senior Manager | 06 Sep 2022 | Tax Compliance | US federal income tax preparation - review of Form 1120 | 0.6 |
| Amir Chenchinski | Partner/Principal | 07 Sep 2022 | Tax Compliance | Call to discuss US federal income tax compliance and 2021 tax return information - Y. Schwartz, J. Hill, E. Sapir., E. Harvey, M. Edri, M. Tuchinsky, A. Chenchinski, O. Wasserman | 1.0 |
| Amir Chenchinski | Partner/Principal | 07 Sep 2022 | Tax Compliance | Continued US federal income tax preparation - review of Form 1120 | 1.2 |
| Meir Edri | Senior | 07 Sep 2022 | Tax Compliance | Call to discuss US federal income tax compliance and 2021 tax return information - Y. Schwartz, J. Hill, E. Sapir., E. Harvey, M. Edri, M. Tuchinsky, A. Chenchinski, O. Wasserman | 1.0 |
| Ofer Wasserman | Senior Manager | 07 Sep 2022 | Tax Compliance | Workplan for US tax compliance process | 1.1 |
| Ofer Wasserman | Senior Manager | 07 Sep 2022 | Tax Compliance | Call to discuss US federal income tax compliance and 2021 tax return information - Y. Schwartz, J. Hill, E. Sapir., E. Harvey, M. Edri, M. Tuchinsky, A. Chenchinski, O. Wasserman | 1.0 |
| Ofer Wasserman | Senior Manager | 08 Sep 2022 | Tax Compliance | Document review for US federal tax returns and draft depreciation schedules | 0.9 |
| Ofer Wasserman | Senior Manager | 11 Sep 2022 | Tax Compliance | Continued document review for US federal tax returns and draft depreciation schedules | 2.1 |
| Amir Chenchinski | Partner/Principal | 12 Sep 2022 | Tax Compliance | Call with L. Koren and O. Almog - discussed process for tax compliance work in connection with bankruptcy procedures | 0.2 |
| Ofer Wasserman | Senior Manager | 12 Sep 2022 | Tax Compliance | US federal tax return preparation- form 8879-C | 0.9 |
| Ofer Wasserman | Senior Manager | 12 Sep 2022 | Tax Compliance | US federal tax return preparation - form 8916 | 3.2 |
| Ofer Wasserman | Senior Manager | 13 Sep 2022 | Tax Compliance | US federal tax return preparation- form 1125-E | 2.9 |

| Name | Title | Date | Project Category | Description | Hours |
|------------------|-------------------|-------------|------------------|--|-------|
| Amir Chenchinski | Partner/Principal | 14 Sep 2022 | Tax Compliance | US tax compliance call O. Wasserman, M. Flashner, M. Edri, and A. Chenchinski and L. Koren (Celsius) - discussed timelines and roles and responsibilities for tax filings as well as initial review of tax provision work papers | 0.8 |
| Meir Edri | Senior | 14 Sep 2022 | Tax Compliance | US tax compliance call O. Wasserman, M. Flashner, M. Edri, and A. Chenchinski and L. Koren (Celsius) - discussed timelines and roles and responsibilities for tax filings as well as initial review of tax provision work papers | 0.8 |
| Ofer Wasserman | Senior Manager | 14 Sep 2022 | Tax Compliance | Continued US federal tax return preparation- form 1125-E | 1.1 |
| Ofer Wasserman | Senior Manager | 14 Sep 2022 | Tax Compliance | US tax compliance call O. Wasserman, M. Flashner, M. Edri, and A. Chenchinski and L. Koren (Celsius) - discussed timelines and roles and responsibilities for tax filings as well as initial review of tax provision work papers | 0.8 |
| Meir Edri | Senior | 15 Sep 2022 | Tax Compliance | Review with O. Almog (Celsius) regarding Celsius token compensation, impact on trial balances and progress of data review | 1.5 |
| Ofer Wasserman | Senior Manager | 15 Sep 2022 | Tax Compliance | Celsius - review 2020 filings to identify key items for update in connection with 2021 federal and state filings | 1.5 |
| Ofer Wasserman | Senior Manager | 15 Sep 2022 | Tax Compliance | Continued US federal tax return preparation- form 1125-E | 0.5 |
| Ofer Wasserman | Senior Manager | 15 Sep 2022 | Tax Compliance | Continued US federal tax return preparation- form 8879-C | 2.4 |
| Amir Chenchinski | Partner/Principal | 18 Sep 2022 | Tax Compliance | Call re. US tax compliance with L. Koren + J. Morgan (Celsius) - review 2020 filings and discuss adjustments, material items and expectations for tax filing procedures. | 0.5 |
| Amir Chenchinski | Partner/Principal | 19 Sep 2022 | Tax Compliance | Call re. US tax compliance with L. Koren + J. Morgan (Celsius) - initial discussion re. statements and disclosures, review information request list, discuss timelines for tax return filing . | 0.6 |
| Amir Chenchinski | Partner/Principal | 20 Sep 2022 | Tax Compliance | Call re. US tax compliance with L. Koren + J. Morgan (Celsius) - initial discussion re. statements and disclosures, review information request list, discuss timelines for tax return filing . | 1.7 |
| Ofer Wasserman | Senior Manager | 20 Sep 2022 | Tax Compliance | Call re. US tax compliance with L. Koren + J. Morgan (Celsius) - schedule M-3 adjustments review, missing data points and review of information request list. | 1.7 |
| Amir Chenchinski | Partner/Principal | 21 Sep 2022 | Tax Compliance | Call re. US tax compliance with L. Koren + J. Morgan (Celsius) - discuss list of schedules and disclosures and discussed approval and signing process internally (i.e., in Celsius). | 1.2 |
| Amir Chenchinski | Partner/Principal | 21 Sep 2022 | Tax Compliance | Call re. US tax compliance with L. Koren + J. Morgan (Celsius) - continue to discuss Celsius Mining activity, calculation of bonus depreciation and carryover NOL schedule. | 2.0 |
| Amir Chenchinski | Partner/Principal | 22 Sep 2022 | Tax Compliance | Tax compliance weekly call with L. Koren + J. Morgan (Celsius) - review and confirm state income tax filing schedule, nexus determinations and apportionment schedules. | 2.1 |

| Name | Title | Date | Project Category | Description | Hours |
|------------------|-------------------|-------------|------------------|---|-------------|
| Amir Chenchinski | Partner/Principal | 22 Sep 2022 | Tax Compliance | Call re. US tax compliance with L. Koren + J. Morgan (Celsius) - continue to discuss list of schedules and disclosures | 0.2 |
| Ofer Wasserman | Senior Manager | 22 Sep 2022 | Tax Compliance | US tax return preparation and review - prepare depreciation Form 8990 | 4.5 |
| Ofer Wasserman | Senior Manager | 22 Sep 2022 | Tax Compliance | Call with J. Morgan to review state apportionment and filing schedule for state income tax | 0.6 |
| Amir Chenchinski | Partner/Principal | 23 Sep 2022 | Tax Compliance | Call with L. Koren - discussed current status of tax return preparation, review of trial balances and balance sheet data. | 1.2 |
| Amir Chenchinski | Partner/Principal | 25 Sep 2022 | Tax Compliance | Call with L. Koren (Celsius) - L. Koren updated on status of examiner inquiry, discussed Canadian operations, discussed finalization of TP documentation. | 1.2 |
| Amir Chenchinski | Partner/Principal | 28 Sep 2022 | Tax Compliance | Call with client - L. Koren + J. Morgan (Celsius) - discussed status of federal and state tax compliance preparation, level of data provided by the Company (trial balances and balance sheets) and milestones for tax return filing. | 0.3 |
| Ofer Wasserman | Senior Manager | 28 Sep 2022 | Tax Compliance | US tax return preparation and review - Form 8916 | 5.6 |
| Meir Edri | Senior | 29 Sep 2022 | Tax Compliance | Call to discuss US federal income tax compliance open items and the discussion of gain recognition agreement filing requirements. EY - J. Blank, E. Harvey, E. Sapir, M. Flashner, Y. Shwartz, M. Edri, O. Wasserman, and J. Hill. | 0.7 |
| Ofer Wasserman | Senior Manager | 29 Sep 2022 | Tax Compliance | Call to discuss US federal income tax compliance open items and the discussion of gain recognition agreement filing requirements. EY - J. Blank, E. Harvey, E. Sapir, M. Flashner, Y. Shwartz, M. Edri, O. Wasserman, and J. Hill. | 0.7 |
| Amir Chenchinski | Partner/Principal | 31 Oct 2022 | Tax Compliance | Call to discuss Celsius Examiner document request - L. Harvey, E. Sapir, Y. Shwartz, J. Hill, N. Flagg, A. Chenchinski | 1.0 |
| | | | | Total | 96.5 |